



SNOWSEA TANZANIA CO. LTD

P.O.BOX 11858 DSM

BUSINESS PLAN

FOR

SNOWSEA TANZANIA

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1. Project Description

Project name: SNOWSEA TANZANIA CO. LTD

Overview: SNOWSEA TANZANIA CO. LTD is located in the SINO TAN INDUSTRIAL PARK. To engage in manufacturing chest freezers, refrigerators, coolers, etc. The workshop area of this project is about 20,000 square meters. The annual revenue return will reach about \$5,000,000 when the project comes into operation. The total capital needed is about United States Dollars two million (USD 2,000,000) and the workforce required is around one hundred (100) workers, and three (3) production lines.

2. Background

Our factory SNOWSEA brand is famous in China, the first refrigerator produced by Chinese self-brands was SNOWSEA. The brand since 1980, with forty-four (44) years of history. In the 1990s, SAMSUNG bought Snowsea's old factories and products and started to produce the SAMSUNG brand in China, Suzhou city. In 2003, Mr. Yang bought the “SNOWSEA” brand and manufactured all kinds of refrigerators. Specializing in the production and sale of refrigerators, freezers, and special cabinets. In 2003, Snowsea Electric Appliance Group Co., Ltd. was established and began to produce



"SNOWSEA" refrigerators and freezers. In 2010, Snowsea group invested in Henan province, to improve local people's income level, we have more than 1500 workers.

China SNOWSEA Group has assets of more than United States dollars Seventy Million (USD 70,000,000) in money worth, which covers an area of more than Six hundred thousand (600,000) square meters, we own a workshop of more than Five hundred thousand (500,000) square meters and have an annual production capacity that ranges between 2 million to 3 million refrigerators.

A Standard workshop of two hundred and forty thousand (240,000) square meters comprises of refrigerators and freezers assembly point, five (5) production lines, three (3) metal shell spraying lines, more than two hundred (200) sets of metal equipment, fifty-five (55) units of injection molding machines, twelve (12) sets of refrigerator inner molding equipments and fridge HIPS sheet lines, refrigerator colorful glass printing lines, and packing machines, etc.

We have adopted an Italian production line, a German Bosch technology platform, and British ABB information management platform, and a complete set of production systems, which has built and garnered a solid foundation of product guarantee.



During the first 5 years, **SNOWSEA** has passed authoritative management system certificates, such as "The Chinese name brand", the Chinese famous trademark, and "inspection-free product".

Not only for our own brand but also for the OEM of Konka, TCL, Chigo,



Meiling, Yangzi, and many other Chinese famous brands.

Not only for the local market but also OEM for export orders.

As China's economic development has entered a new normal, with the increase of refrigerating manufacturers and the rise of emerging economic forms, the group's international trade platform is facing a bottleneck period, and it is urgent to find new growth points to adapt to the changing industrial revolution.

The necessity of establishing **SNOWSEA TANZANIA**, according to the economic development of China and the export trade growth of our company in recent years, the existing international trade platform of the group has been unable to meet the needs of market development. The group needs to rely on the huge market advantages of Tanzania and neighboring West Africa to complete the strategic deployment of transformation and cross-regional development as soon as possible. Great efforts should be made to expand the market share in Africa, expand the overall scale of the group, seize the resource advantage of the African market, and create favorable conditions for the further development of the group.

In the early stage, the freezers and refrigerators produced by the free trade zone company of Winey Electric can guarantee the market supply of Tanzania. After the operation is mature, the freezers and refrigerators can expand the market of the neighboring West African countries and further



expand the trade.

3. Market Analysis

Our company organized a special research team to visit Tanzania and the other East African countries many times. The following three aspects were analyzed to determine the investment plan of this project.

3.1. Geographical Position

As East Africa's most important port, Dar es Salaam is very busy. The EAC is the largest economy, with a total of 220 million people. The safest country, being Tanzania, with its huge market attracting investment. Tanzania benefits significantly from transit trade, serving as a potential driver of economic growth, welfare, and local enterprise development.

This highlights the indispensable role of the government in promoting transit trade in the country, From the establishment of the Tanzania Investment Center (TIC) to the creation of free trade zones, special economic zones, and Industrial parks such as the Sino Tan Industrial Park in Kibaha which is one of the fastest growing urban districts in Tanzania. Tanzania has a tropical rainforest climate, and the hot weather leads to a strong demand for refrigeration products.

其中达系斯萨拉姆为土安港口。





As a member of EAC, Tanzania enjoys tariff reduction policy for members of the common body, which is conducive to the sales of our products to neighboring countries in East Africa. Sino Tan is located in a dry port; it has obvious geographical advantages.

Make use of many years to cultivate the international trade talent team and make import and export trade bigger and stronger. In the early stage, the freezers and refrigerators produced by the free trade zone company of Winey Electric can guarantee the market supply of Tanzania. After the operation is mature, the freezers and refrigerators can expand the market of the neighboring Central and West African countries and further expand the trade.



3.2. Product Positioning.

The industrial level of African countries is generally around 10 years behind that of China. This gap has created good opportunities for our company to achieve industrial restructuring and transfer excess capacity. At present, our company's mid-end products can well adapt to and meet the African market. By assembling semi-finished products at home and completing the production of technical products, we can not only guarantee the product quality, but also fully save shipping costs, and at the same time drive the export business of the parent company. The best advantage is we can make good after-sales services for users.

Tanzania has a large population and has enough workers, they are stable and more professional, which is conducive to the processing and manufacturing of our products. In addition, as China invests more and more in the infrastructure construction of Tanzania, people will live a richer life, which can better promote the demand of the Tanzania market. Therefore, our company has great confidence in the growth of the Tanzania market.

4. Market Advantage

China and Tanzania have friendly diplomatic relations and sound economic and trade relations. Since the establishment of the China-Africa cooperation BBS in 2000, bilateral trade has expanded, providing an important platform



for collective dialogue and effective and practical cooperation mechanisms between African countries such as Tanzania and China. Tanzania has been closely following China's "One Belt and One Road" initiative and strengthening cooperation with China through this initiative.

In recent years, the economic and trade development between China and Tanzania has entered a fast track. Tanzania is China's third-largest trading partner and second-largest export market in Africa. It has a large population, great market potential and strong purchasing power.

It is rich in resources, has great potential for development, and has good prospects for economic development. Maritime trade developed, and commercial activities are active. There are many purchasing markets, which can stimulate huge consumer demand.

Seaborne trade accounts for nearly 70 percent of East Africa's total trade. Dar es Salaam is home to 80% of Tanzania's commerce. Dar es Salaam is Tanzania's economic, financial, industrial, and logistics hub, the best stepping stone for businesses to enter the East African market. Besides, the neighboring countries of Tanzania' have a lot of trade contacts with our domestic group, such as Zambia, Congo, etc. At the same time, these neighboring countries have a large population, great market potential, and strong purchasing power. The establishment can save the cost of ocean freight and shipping time, which is beneficial to improve the service of



customers and shorten the order cycle.

5. Social Benefit

Promoting local economic development and improving people's living standards. We hereby sincerely follow the rules and regulations of the government. In order to improve the living standard and more working opportunities for local society.

6. Cost of the project & means of finance.

6.1. Cost of the Project

S/No.	Items/Description	Amount in USD
1.	Land & Building	350,000–650,000/=
2.	Plant & Machinery	500,000/=
3.	Furniture, Computers & Fixtures	40,000/=
4.	Vehicles	100,000/=
5.	Others	150,000/=
6.	Pre–operating Costs (Rent)	260,000/=
7.	Initial working capital	300,000/=
	Total Cost of the Project	2,000,000/=

6.2. Allocation Table of the Local and Foreign Employees to set up the

Factory in Tanzania

S/N	Local Expert	Foreign Expert	Total
	80	6	86

6.3. Financial Projection

According to our market strategy, market investigation and comprehensive analysis on prices, through accounting of several items, we made the following forecast on financial results as shown in the tables:

6.3.1. Estimated Gains and Losses in US \$ (1,000)

SN.	Item	2024	2025	2026	2027	2028
1	Qty(9m)	2,000	2,200	2,500	2,800	2,900
2	Qty(10m)	2,000	2,200	2,500	2,800	3,000
3	Qty(12m)	2,500	2,750	3,025	3,328	3,660
4	Qty(13m)	2,000	2,300	2,600	3,000	3,400
5	Qty(15m)	2,000	2,300	2,600	3,100	3,400
6	Qty(17m)	1,000	1,300	1,500	1,600	1,800
7	Quantity	11,500	13,050	14,725	16,628	18,160



8	Price (USD/PCS)	300	291	283	275	267
9	Sales Amount	3,450	3,797	4,167	4,572	4,848
10	Total Cost	3,278	3,608	3,959	4,344	4,606
11	Profit before Tax	173	190	209	229	242
12	Income Tax	52	57	63	69	73

6.3.2. Cash Flow Statement in US \$ (1,000)

SN. No.	Item	2024	2025	2026	2027	2028
1	Investment	800	240	264	290	319
2	Cash in	3450	3797	4167	4572	4848
3	Purchase Payment	2760	3038	3334	3658	3878
4	Salary	104	114	125	137	145
5	Operation Expenses	414	456	500	549	582
4	Tax	52	57	63	69	73
5	Fix Assets Investment	400	120	132	145	160
6	Cash Surplus	121	133	146	160	169

6.3.3. Liabilities Chart of Assets

	2024	2025	2026	2027	2028
Current Assets	800	840	882	926	972
Fixed Assets	400	520	652	797	957
Depreciation Accumulated	80	104	130	159	191
Equity	400	420	441	463	486
Liability	80	84	88	93	97
Total Assets	640	752	874	1,008	1,155

6.3.4. Profit & Loss Statement in USD (1,000)

	The 1st Year	the 2nd Year	the 3rd Year	the 4th Year	the 5th Year
Indicated Fiscal Year	2024	2025	2026	2027	2028
Total Sales Amount	3450	3797	4167	4572	4848
Cost of Sales	3278	3608	3959	4344	4606
Initial Inventory	660	813	1002	1235	1523
Purchase	627	772	952	1173	1447
Ending Balance	550	678	835	1029	1269
Total Investment	800	240	264	290	319
Productive Salary	84	92	102	112	123



Operation Fee	414	456	500	549	582
Salary of Management Staff	36	40	44	48	53
Management Cost	124	137	150	165	175
Other Cost	33	41	50	62	76
Operation Income (Loss)	173	190	208	229	242
Profit at the End of the Year/(Loss)	121	133	146	160	169

7. Five-year Financial Plan

No.	item	Investment (US10000)	Profit (US10000)
1	2024	200	0
2	2025 & 2026	100	80
3	2027 & 2028	0	150

8. Environmental Statement

The solid, liquid, and waste gas will be deposited and filtered before discharging into the public. Therefore, the potential environmental impact caused by sewage would be neglected. Therefore, regarding environmental protection, the construction of this project is completely feasible.



9. Conclusion

It is a good project, although very hard, and needs more support from the government, but the whole world has changed, and so should we.

Let us build the best between SNOWSEA & Tanzania.